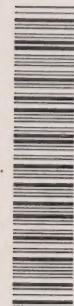


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PENSION NEWS



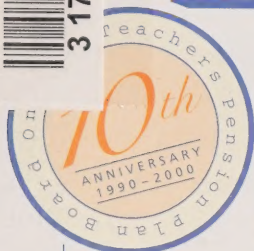
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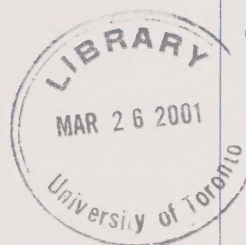
Teachers
Pension Plan
Board

Conseil du régime
de retraite des enseignantes
et des enseignants

Issue 21
May 2000



Terminally ill now have access to pension funds



One of a series of recent amendments to the *Pension Benefits Act* (PBA) provides terminally ill members of Ontario pension plans with access to their pension funds.

What we know so far

The details are still unclear, however if you're faced with shortened life expectancy due to a terminal illness or disability, you may be eligible to receive the present value of your future pension provided you have:

- A physician's certificate verifying life expectancy is less than two years, and
- Your spouse's written consent waiving any right to a survivor pension.

Eligible pensioners will receive the present value of one year's pension in lieu of further payments. The regulations are effective March 3, 2000.

Continued on page 2

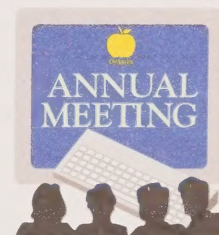
Watch highlights of the Annual Meeting on the Web

Certain pre'84
teaching now
pensionable

Log on to www.otpp.com and watch your choice of video clips from the Annual Meeting held on April 7, 2000. You'll find six clips:

- 10 Years of Achievement
- Member Services
- Investments
- The Surplus
- Ethical Investing
- Questions and Answers

Each clip is about 7 to 10 minutes in length.



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You asked us

Q. *Your story on the plan's investment in Shoppers Drug Mart that appeared in the latest issue of Pension News (Spring 2000, Issue 20) was incomplete. Although you give the total cost of the deal, I want to know how much we invested in this venture.*

J.P., Toronto

A.

We can't disclose that information because of an agreement with the other investors involved in management's buyout of Shoppers Drug Mart.


As is often the case with Merchant Banking investments involving other investors, an agreement is signed by everyone prohibiting disclosure of the size of their particular investment. In this way, it becomes difficult for outside observers to deduce the amount each party has invested in the deal.

Q. *In the "Then and Now" chart that appeared in the last issue, I noted that the number of pensioners you serve increased by a factor of 2++ and your staff also increased by double. Why should this be so in an age of computers?*

J.H., Nanaimo, B.C.


A.

There are two reasons why staff have doubled since 1990. First, we have an investment department of some 180 professionals that did not exist 10 years ago. Second, although

computers have changed the way we work, our focus remains on improving service to clients. Technology, such as the Computer Telephony Integration (CTI) system that sends your file electronically to the next available pension benefit specialist when you telephone us, means we can serve you better. It is also worth noting that although the number of staff have grown, our cost per member has been more or less constant during the past 10 years. 

Terminally ill now have access to pension funds

Continued from page 1

The regulations also apply to teachers who have not yet started to receive their pension. If you know someone with an entitlement from the pension plan who is facing shortened life expectancy, advise him or her to contact the Teachers' pension plan (or have someone call on his or her behalf) toll free at 1-800-668-0105, or in the Toronto area at (416) 226-2700. 

If you know a terminally ill retired teacher, suggest he or she call the Teachers' pension plan.

Taught summer school, night school or adult day school before September 1984?

Ruling renders certain pre'84 teaching pensionable

If you taught summer school, night school or adult day school before September 1984 and were employed less than full time, you may be eligible to contribute to the pension plan for the time you taught.

Under previous legislation, this teaching was not considered pensionable service. A recent court decision granted two teachers who taught night school and adult day school the right to contribute to the pension plan under provisions of the *Teachers' Superannuation Act*.

You may be eligible to contribute to the pension plan if you meet each of the following conditions.

You must have:

1. taught night school, summer school or adult day school before September 1, 1984;
2. taught a course leading to a secondary school

diploma, or taught elementary summer school;

3. been employed less than full time in that school year; and
4. been a certified teacher (or teaching under a letter of permission) at the time.

All the above

conditions must

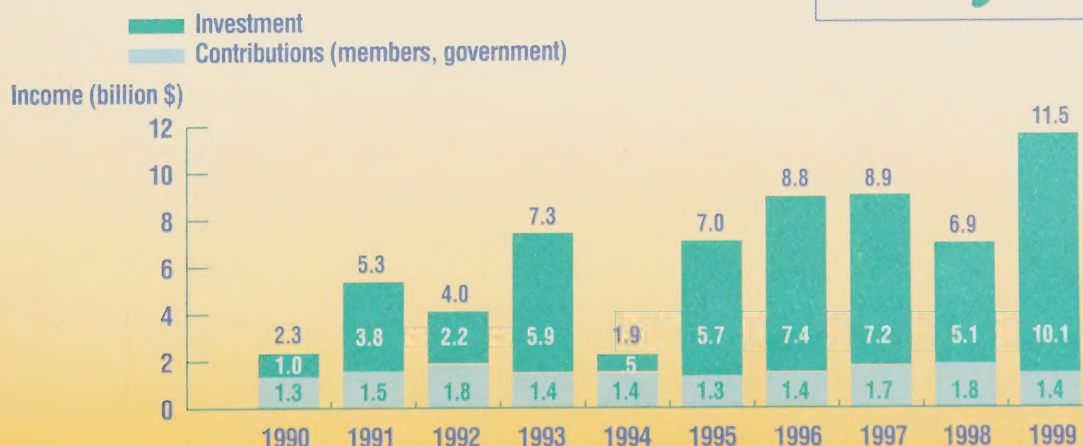
be satisfied

Please contact us first

If you meet these conditions, contact us by telephone at 416-226-2700 or toll free at 1-800-668-0105. You must provide proof of your relevant pre'84 employment, but call us first to obtain an application kit. Apply as soon as possible. The deadline for applications is December 31, 2000. 🍎

The pension plan earned \$10.1 billion from investments in 1999—more than in any previous year.

For other interesting stats, see the *Report to Members*.



What is an actuarial gain?

An actuarial gain (or loss) is the difference between the estimated performance of the plan's assets and liabilities and what actually occurs. At least every three years a funding valuation is done by an independent actuary. At the end of the period covered by the valuation, the estimated performance is compared to actual outcome. If the outcome is better than the rate of return and other factors predicted by the assumptions, there is an actuarial gain. Similarly, if the outcome is worse than expected in the assumptions, the plan experiences an actuarial loss.

Since 1990, the plan has experienced

gains, thanks to exceptional growth in asset values. At the same time, unusually low inflation and generally modest changes in teachers' salaries slowed the growth of future liabilities. As a result, the plan has gone from an unfunded liability of \$7.8 billion on January 1, 1990 to a series of gains totalling \$12.5 billion.

The partners decide

Actuarial gains or losses are the responsibility of the partners—OTF and the Ontario government. Gains can be used to establish contingency reserves, improve benefits or reduce contributions. Since 1992, the application of the gains must be agreed to by the partners. Prior to that time, the government could use its portion of the gains to offset its special payments to the unfunded liability.

The government and OTF allocated gains to:

- *improve pension payments after age 65*
- *introduce early retirement incentives*
- *eliminate the unfunded liability.*

PENSION NEWS

We appreciate your comments about anything you read in *Pension News* contact John Cappelletti at (416) 730-5351 or 1-877-812-7989 or e-mail: john_cappelletti@otpp.com

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E-mail: member_inquiry@otpp.com

Web site: www.otpp.com

This newsletter does not create any right to benefits. Your entitlements and those of your survivors are and will be governed by the language of the pension plan text. The information contained in this newsletter is not intended to be relied upon in relation to any particular circumstance.

Ce bulletin est disponible également en français.



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Reminders...

Moving?

Don't forget to tell us if you move. You can write to us or contact us by e-mail, fax or telephone.

Changing banks?

If you're planning to change banks, inform us at least four weeks in advance to avoid any delays in the receipt of your pension. Please include a new void cheque when writing to us.

